

News Release



U.S. Department of Labor
Office of Public Affairs
Chicago, Ill.
Release Number 260

For Immediate Release
Date: June 11, 2003
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Labor Department Obtains Court Order Restoring Assets To Wisconsin Company's Simple IRA Plan

CHICAGO, Ill. -- The U.S. Department of Labor obtained a consent order and judgment on May 23, 2003, requiring Cross Ambulance Service, Inc. of West Allis, Wis. and the administrator of its Simple IRA plan to restore \$14,563 to the plan, distribute the plan assets to participants, and terminate the plan for failure to forward contributions withheld from employees' wages to the plan.

The judgment also requires Robert Blahut to waive his benefits under the plan to repay the losses of other plan participants if the company fails to fully reimburse the plan. In addition, the judgment permanently bars Blahut from serving in positions of trust to any plan governed by the Employee Retirement Income Security Act (ERISA), requires the company to maintain corporate assets as collateral to secure payment and obtain written agreements from financial institutions holding security interests in the company to waive their claims.

"This action underscores the Labor Department's commitment to hold accountable those who are entrusted with the assets of retirement plans on behalf of workers," said Kenneth Bazar, director of the Chicago regional office of the Employee Benefits Security Administration (EBSA).

The court action resulted from an investigation conducted by the department's Chicago regional office alleging that Cross Ambulance violated ERISA by failing to remit employee participant contributions withheld from employees' paychecks from August 2000 to December 2001 and fund employer matching contributions for the same period. The judgment was entered in federal district court in Milwaukee, Wis.

Cross Ambulance provides handicap van transportation and emergency medical ambulance services. It established the Simple IRA plan in January 2000, which had approximately 21 active participants as of December 2001.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allow them to avoid EBSA enforcement actions, civil penalties and applicable excise taxes. For more information see www.dol.gov/ebsa

Employers and workers can reach EBSA's Chicago regional office at 312-353-0900 or through its toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector pension and health plans.

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(Chao v. Cross Ambulance Service)
Civil Action No. 03-C-0487